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*Admission Pro Hac Vice Pending*

13 *Attorneys for Plaintiff*

14 Chapel Square Ventures, L.P.

15 UNITED STATES DISTRICT COURT

16 DISTRICT OF NEVADA

18 CHAPEL SQUARE VENTURES, L.P.,

19 Plaintiff,

20 v.

21 KRAVETZ REALTY GROUP LLC, a  
22 New York limited liability company,  
23 and LANDAMERICA COMMERCIAL  
SERVICES, an Ohio corporation,

24 Defendants.

CASE NO. \_\_\_\_\_

COMPLAINT

25 Comes now, Plaintiff-Chapel Square Ventures, L.P. ("Chapel Square") and files this  
26 Complaint against Defendants Kravetz Realty Group, LLC ("Kravetz Realty") (Chapel Square and  
27  
28

1 Kravetz sometimes referred to collectively as "Parties") and LandAmerica Commercial Services  
2 ("LandAmerica"), showing this Court as follows:

### 3 I. INTRODUCTION

4 This dispute arises from Plaintiff-Chapel Square's right to certain escrowed funds. Chapel  
5 Square and Kravetz Realty entered into an agreement whereby Kravetz Realty was to purchase  
6 certain commercial real property ("Premises") from Chapel Square ("Agreement"). Pursuant to the  
7 Agreement, Kravetz Realty deposited \$500,000 in an escrow account with LandAmerica, \$250,000  
8 of which previously has been released to Chapel Square. The Agreement provides that if Kravetz  
9 Realty defaults on the purchase, the remaining \$250,000 of such escrowed funds shall be paid to  
10 Chapel Square as liquidated damages.  
11

12 Kravetz Realty has defaulted on the purchase of the Premises. Accordingly, Chapel Square  
13 terminated the Agreement, and requested that the remaining \$250,000 be paid to it in accordance  
14 with the terms thereof. Despite Chapel Square's demand, Kravetz Realty has improperly refused to  
15 permit LandAmerica to disburse such funds to Chapel Square. Correspondingly, LandAmerica will  
16 not disburse such funds to Chapel Square.  
17

### 18 II. PARTIES

19  
20 1. Chapel Square is a limited partnership organized and existing under the laws of the  
21 State of Georgia with its general partner residing in Georgia. Chapel Square owns and operates the  
22 Premises at issue in this dispute.

23 2. Kravetz Realty is a limited liability company organized and existing under the laws  
24 of the State of New York. Upon information and belief, none of Kravetz Realty's members reside  
25 in Georgia.  
26

27 3. LandAmerica is a corporation organized and existing under the laws of the State of  
28 Ohio with its principal place of business in Ohio. LandAmerica provides real estate transaction

1 services, including title and escrow services, and has an office located at 10801 W. Charleston  
2 Blvd., Suite 690, Las Vegas, Nevada 89135.

3  
4 **III. JURISDICTION AND VENUE**

5 4. Jurisdiction is proper over LandAmerica and Kravetz Realty under N.R.S. §14.065  
6 because they transact business within the State of Nevada.

7 5. Venue is proper in this Court under N.R.S. §13.040.

8 **IV. FACTUAL ALLEGATIONS**

9 **A. The Agreement**

10 6. Chapel Square and Kravetz Realty entered into the Agreement for Kravetz Realty to  
11 purchase the Premises from Chapel Square on or about February 27, 2008. Attached hereto as  
12 **Exhibit A** is a true and correct copy of the Agreement.

13  
14 7. Under the Agreement, Kravetz Realty agreed to place \$500,000 ("Deposit") in an  
15 escrow account with LandAmerica in Las Vegas, Nevada ("Escrow Account"). Specifically, Kravetz  
16 Realty was to deposit \$100,000 into the Escrow Account within three (3) days of the execution of  
17 the Agreement, and \$400,000 one (1) day after the expiration of the inspection period. (Agreement,  
18 ¶ 3). Kravetz Realty deposited the initial \$100,000 into the Escrow Account on or about February  
19 29, 2008.

20  
21 8. Upon receipt of the initial \$100,000 deposit and a fully executed copy of the  
22 Agreement, LandAmerica signed the Agreement, agreeing to act as the escrow agent for the Parties  
23 and to hold the Deposit for their benefit pursuant to the terms of the Agreement. (Agreement, p. 20)

24 9. The Agreement provides that if Kravetz Realty fails to consummate the purchase of  
25 the Premises in accordance with the terms of the Agreement, Chapel Square is entitled to the  
26 Deposit as liquidated damages. It further provides that if any party is forced to hire attorneys to  
27  
28

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1 enforce the terms of the Agreement, the losing party must pay the costs and expenses, including  
2 attorneys' fees, of litigation. (Id., ¶¶ 3, 14).

3 10. The Agreement provides that the buyer will have forty-five (45) days to inspect the  
4 Premises ("Inspection Period"), and the Parties will close on the transaction fifteen (15) days after  
5 the expiration of the Inspection Period, which set the closing date for April 30, 2008. (Id., ¶ 7).

6 11. On or about April 15, 2008, the Parties entered into a First Amendment to the  
7 Agreement ("First Amendment"), extending the Inspection Period until May 15, 2008. Attached  
8 hereto as **Exhibit B** is a true and correct copy of the First Amendment. The First Amendment also  
9 extended the time for Kravetz Realty to deposit the additional \$400,000 into the Escrow Account.  
10

11 12. On or about May 16, 2008, the Parties entered into a Second Amendment to the  
12 Agreement ("Second Amendment"), further extending the closing date until July 15, 2008 and  
13 further modifying the time frame for deposit of the additional \$400,000 (\$150,000 on May 16, 2008  
14 and \$250,000 on July 16, 2008) into the Escrow Account with LandAmerica. Attached hereto as  
15 **Exhibit C** is a true and correct copy of the Second Amendment. Kravetz Realty ultimately  
16 deposited the additional \$400,000 into the Escrow Account as contemplated by the terms of the  
17 Second Amendment.  
18

19 13. On or about June 16, 2008, the Parties entered into a Third Amendment to the  
20 Agreement ("Third Amendment"), further extending the closing date until July 31, 2008. Attached  
21 hereto as **Exhibit D** is a true and correct copy of the Third Amendment.  
22

23 14. On or about July 31, 2008, the Parties entered into a Fourth Amendment to the  
24 Agreement ("Fourth Amendment"), further extending the closing date until August 15, 2008.  
25 Attached hereto as **Exhibit E** is a true and correct copy of the Fourth Amendment. In connection  
26 with this extension, Kravetz Realty agreed to immediately release \$250,000 from the Escrow  
27 Account to Chapel Square, which it did, leaving \$250,000 in the Escrow Account.  
28

1           15. In addition, the Fourth Amendment allowed Kravetz Realty to extend the closing  
2 date to August 29, 2008, provided it made this election by August 14, 2008 and deposited an  
3 additional \$150,000 into the Escrow Account.

4           **B. Kravetz Realty's Default and Refusal to Release Funds in the Escrow Account**

5  
6           16. On August 14, 2008, Chapel Square, through its counsel, Morris, Manning & Martin,  
7 LLP, delivered to LandAmerica, as closing agent, the documentation required to consummate the  
8 purchase and sale of the Premises under an escrow instruction letter authorizing the release of such  
9 documents to Kravetz Realty upon LandAmerica's receipt of the purchase price and the closing  
10 documents required to be delivered by Kravetz Realty in connection with the closing. Attached  
11 hereto as **Exhibit F** is a true and correct copy of such escrow instruction letter.

12  
13           17. Kravetz Realty did not elect to extend the closing date and failed to consummate the  
14 purchase of the Premises on August 15, 2008. Accordingly, Kravetz Realty was in default under the  
15 Agreement. (See Agreement, ¶ 14(A)).

16  
17           18. As a result of Kravetz Realty's default, Chapel Square terminated the Agreement and  
18 requested that the remaining portion of the Deposit be paid to Chapel Square. Attached hereto as  
19 **Exhibit G** is a true and correct copy of Chapel Square's August 25, 2008 demand letter to Kravetz  
20 Realty.

21           19. In response, Kravetz Realty improperly directed LandAmerica to retain the Deposit  
22 until further notice. Attached hereto as **Exhibit H** is a true and correct copy of Kravetz Realty's  
23 August 28, 2008 response letter to Chapel Square.

24           20. As a result, LandAmerica will not disburse the remainder of the Deposit to Chapel  
25 Square.

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**V. CAUSES OF ACTION**

**COUNT I: BREACH OF CONTRACT**  
**(Against LandAmerica)**

21. Chapel Square repeats and re-alleges the allegations contained in Paragraphs 1-20 above as if set forth fully herein.

22. LandAmerica has agreed to be the escrow agent for the Parties, and hold the Deposit for their benefit pursuant to the terms of the Agreement.

23. LandAmerica's refusal to release the remaining portion of the Deposit is a breach of its obligation under the Agreement.

24. As a direct and proximate result of LandAmerica's breach, Chapel Square has suffered damages in an amount to be determined by this Court, but in no event less than \$250,000.

**COUNT II: BREACH OF CONTRACT**  
**(Against Kravetz Realty)**

25. Chapel Square repeats and re-alleges the allegations contained in Paragraphs 1-24 above as if set forth fully herein.

26. Chapel Square and Kravetz Realty are parties to the Agreement.

27. Kravetz Realty's failure to consummate the purchase of the Premises constitutes a default under the Agreement.

28. As a result of Kravetz Realty's default, Chapel Square terminated the Agreement and demanded the remaining portion of the Deposit as liquidated damages.

29. Kravetz Realty's refusal to release the remaining portion of the Deposit is a breach of the Agreement.

30. As a direct and proximate result of Kravetz Realty's breach of the Agreement, Chapel Square has suffered damages in an amount to be determined by this Court, but in no event less than \$250,000.

**COUNT III: ATTORNEYS' FEES**  
**(Against Kravetz Realty)**

31. Chapel Square repeats and re-alleges the allegations contained in Paragraphs 1-30 above as if set forth fully herein.

32. Chapel Square and Kravetz Realty are parties to the Agreement.

33. Pursuant to the Agreement, the losing party in any action must pay the prevailing party all litigation expenses, including attorneys' fees, incurred in connection therewith.

34. Chapel Square has incurred litigation expense, including attorneys' fees, in connection with enforcing its rights under the Agreement.

35. Accordingly, under the Agreement, Chapel Square is entitled to recover its litigation expenses, including attorneys' fees, from Kravetz Realty.

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1           **WHEREFORE**, Chapel Square respectfully prays for the following relief in this action:

- 2           (1)    A verdict and judgment against Kravetz Realty and LandAmerica jointly and  
3                   severally and in favor of Chapel Square in an amount to be determined by the Court  
4                   but in no event less than \$250,000;
- 5           (2)    A verdict and judgment against Kravetz Realty for Chapel Square's costs and  
6                   expenses, including attorneys' fees, incurred in this action; and
- 7           (3)    That Chapel Square be awarded all other and further relief as this Court deems just  
8                   and equitable.

9  
10          DATED this 11<sup>th</sup> day of September, 2008.

11  
12          By: 

13          JOHN P. DESMOND, ESQ.

14          State Bar No. 5618

15          WHITNEY D. BOCCHI, ESQ.

16          State Bar No. 9763

17          JONES VARGAS

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